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(Original Signature of Member)

115TH CONGRESS
1ST SESSION

H. R. _____

To amend title XXI of the Social Security Act to provide for a special rule during the first quarter of fiscal year 2018 for the redistribution of certain Children’s Health Insurance Program allocations for certain shortfall States.

IN THE HOUSE OF REPRESENTATIVES

Mr. COSTELLO (for himself, Mr. EMMER, Mr. WALDEN, and Mr. BURGESS) introduced the following bill; which was referred to the Committee on

A BILL

To amend title XXI of the Social Security Act to provide for a special rule during the first quarter of fiscal year 2018 for the redistribution of certain Children’s Health Insurance Program allocations for certain shortfall States.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. SHORT TITLE.**

4 This Act may be cited as the “CHIP Stability Act”.

1 **SEC. 2. CHIP ALLOCATION REDISTRIBUTION SPECIAL RULE**
2 **FOR CERTAIN SHORTFALL STATES DURING**
3 **FIRST QUARTER OF FISCAL YEAR 2018.**

4 Section 2104(f)(2) of the Social Security Act (42
5 U.S.C. 1397dd(f)(2)) is amended—

6 (1) by amending subparagraph (B) to read as
7 follows:

8 “(B) DETERMINATION OF REDISTRIBUTED
9 AMOUNTS IF INSUFFICIENT AMOUNTS AVAIL-
10 ABLE.—

11 “(i) PRORATION RULE.—Subject to
12 clause (ii), if the amounts available for re-
13 distribution under paragraph (1) for a fis-
14 cal year are less than the total amounts of
15 the estimated shortfalls determined for the
16 year under subparagraph (A), the amount
17 to be redistributed under such paragraph
18 for each shortfall State shall be reduced
19 proportionally.

20 “(ii) SPECIAL RULE FOR FIRST QUAR-
21 TER OF FISCAL YEAR 2018.—

22 “(I) IN GENERAL.—For the pe-
23 riod beginning on October 1, 2017,
24 and ending December 31, 2017, with
25 respect to any amounts available for
26 redistribution under paragraph (1) for

1 fiscal year 2018, the Secretary shall
2 redistribute under such paragraph
3 such amounts to each emergency
4 shortfall State (as defined in sub-
5 clause (II)) in such amount as is
6 equal to the amount of the shortfall
7 described in subclause (II) for such
8 State and period (as may be adjusted
9 under subparagraph (C)) before the
10 Secretary may redistribute such
11 amounts to any shortfall State that is
12 not an emergency shortfall State. In
13 the case of any amounts redistributed
14 under this subclause to a State that is
15 not an emergency shortfall State, such
16 amounts shall be determined in ac-
17 cordance with clause (i).

18 “(II) EMERGENCY SHORTFALL
19 STATE DEFINED.—For purposes of
20 this clause, the term ‘emergency
21 shortfall State’ means, with respect to
22 the period beginning October 1, 2017,
23 and ending December 31, 2017, a
24 shortfall State for which the Secretary
25 estimates, in accordance with sub-

1 paragraph (A) (unless otherwise speci-
2 fied in this subclause), that the pro-
3 jected expenditures under the State
4 child health plan and under section
5 2105(g) (calculated as if the reference
6 under section 2105(g)(4)(A) to ‘2017’
7 were a reference to ‘2018’ and insofar
8 as the allotments are available to the
9 State under this subsection or sub-
10 section (e) or (m)) for such period will
11 exceed the sum of the amounts de-
12 scribed in clauses (i) through (iii) of
13 subparagraph (A) for such period, in-
14 cluding after application of any
15 amount redistributed under paragraph
16 (1) before such date of enactment to
17 such State. A shortfall State may be
18 an emergency shortfall State under
19 the previous sentence without regard
20 to whether any amounts were redis-
21 tributed before such date of enact-
22 ment to such State under paragraph
23 (1) for fiscal year 2018.

24 “(III) APPLICATION OF QUALI-
25 FYING STATE OPTION.—During the

1 period described in subclause (I), sec-
2 tion 2105(g)(4) shall apply to a quali-
3 fying State (as defined in section
4 2105(g)(2)) as if under section
5 2105(g)(4)—

6 “(aa) the reference to ‘2017’
7 were a reference to ‘2018’; and

8 “(bb) the reference to ‘under
9 subsections (e) and (m) of such
10 section’ were a reference to
11 ‘under subsections (e), (f), and
12 (m) of such section’.”; and

13 (2) by adding at the end the following new sub-
14 paragraph:

15 “(D) RULE OF CONSTRUCTION.—Nothing
16 in this paragraph may be construed as pre-
17 venting a commonwealth or territory described
18 in subsection (c)(3) from being treated as a
19 shortfall State or an emergency shortfall
20 State.”.